

**Before the
Federal Communications Commission
Washington, DC 20554**

In the Matter of)	File No. EB-03-IH-0707
)	
Virgin Islands Telephone Corporation d/b/a)	Acct. No. 200432080300
Innovative Telephone, Innovative Long)	
Distance, Inc., and Vitelcom Cellular, Inc.)	FRN Nos. 0004-5555-95, 0007-4521-54,
d/b/a Innovative Wireless)	and 0005-0870-20
)	

CONSENT DECREE

1. The Enforcement Bureau (the “Bureau”) of the Federal Communications Commission (“FCC” or “Commission”) and Innovative Communications Corporation (“ICC”), by their respective authorized representatives, hereby enter into this Consent Decree for the purpose of terminating the Bureau’s investigation into whether Virgin Islands Telephone Corporation d/b/a Innovative Telephone, Innovative Long Distance, Inc., and Vitelcom Cellular, Inc. d/b/a Innovative Wireless (collectively “ICC Entities”) violated Sections 52.17, 54.706(a), and 64.604 of the Commission’s rules, 47 C.F.R. §§ 52.17, 54.706(a), and 64.604, requiring carriers providing interstate telecommunications services to contribute to the Universal Service Fund (“USF”), the Telecommunications Relay Service (“TRS”) Fund, and the North American Numbering Plan Administration (“NANPA”) Fund.

2. For purposes of this Consent Decree, the following definitions shall apply:

- (a) The “Act” means the Communications Act of 1934, as amended, 47 U.S.C. §§ 151 *et seq.*
- (b) “Adopting Order” or “Order” means an order of the Commission or the Bureau adopting this Consent Decree.
- (c) The “Bureau” means the Enforcement Bureau of the Federal Communications Commission.
- (d) The “Commission” or “FCC” means the Federal Communications Commission.
- (e) “Effective Date” means the date on which the Commission or the Bureau releases the Order.
- (f) “Investigation” means the investigation initiated by the Bureau’s February 4, 2004 letter of inquiry concerning possible violations of the Rules.
- (g) “Parties” means ICC and the Bureau.
- (h) “Rules” means the Commission’s regulations set forth in Title 47 of the Code of Federal Regulations.
- (i) “ICC” or the “Company” means Innovative Communications Corporation and all

parents, subsidiaries, divisions, and affiliates, and each of their respective officers, directors, employees, agents, representatives, or any other person acting or purporting to act on behalf of ICC, or its successors or assigns, including but not limited to Virgin Islands Telephone Corporation d/b/a Innovative Telephone, Innovative Long Distance, Inc., and Vitelcom Cellular, Inc. d/b/a Innovative Wireless.

I. BACKGROUND

3. Pursuant to sections 52.17, 54.706(a), and 64.604 of the Rules, carriers that provide interstate telecommunications service are required to contribute to the USF, TRS Fund, and the NANPA Fund. 47 C.F.R. §§ 52.17, 54.706(a), and 64.604.

4. ICC offers local, long distance, and wireless voice and data services to residential and business customers through its subsidiaries Virgin Islands Telephone Corporation, Innovative Long Distance, Inc., and Innovative Wireless. On February 4, 2004, the Bureau issued a letter of inquiry (“LOI”) initiating an investigation regarding ICC’s compliance with its universal service, TRS, and NANPA contribution obligations.¹ On March 2, 2004, ICC submitted responses to the LOI. Subsequent to this filing, the Bureau requested additional information from ICC on May 5, 2004,² for which ICC submitted responses on May 12, 2004.

5. Prior to and during the investigation, the ICC Entities have made efforts to pay their USF debt by sending additional payments in certain months. Since the investigation began, ICC timely provided responses to our inquiries and coordinated with Bureau staff in providing the information requested. ICC is currently up-to-date on all of its universal service, TRS, and NANPA contribution obligations.

II. AGREEMENT

6. The Parties agree that the provisions of this Consent Decree shall be subject to final approval by the Bureau, through the entry of the Order, which shall immediately resolve and terminate the Investigation.

7. The Parties agree that this Consent Decree does not constitute either an adjudication on the merits or a factual or legal finding or determination regarding any compliance or noncompliance with the requirements of the Act or the Commission’s rules and orders. The Parties agree that this Consent Decree is for settlement purposes only and that by agreeing to this Consent Decree, ICC does not admit or deny liability for violating any statute, regulation, or administrative rule in connection with the matters that are the subject of this Consent Decree.

8. ICC agrees that it has implemented or will implement, within thirty (30) calendar days after the Bureau releases the Order adopting this Consent Decree, an internal compliance program (the “Program”) to ensure ICC’s future compliance with the Commission’s USF, TRS Fund, and NANPA Fund contribution requirements. The Program will include, at a minimum, the following components:

¹ See Letter from Hillary S. DeNigro, Deputy Chief, Investigations and Hearings Division, Enforcement Bureau, to Jeffrey J. Prosser, Chief Executive Officer, Innovative Communications Corporation, dated February 4, 2004.

² See Letter from Hillary DeNigro, Deputy Chief, Investigations and Hearings Division, Enforcement Bureau, to Gregory J. Vogt and Jeffrey J. Prosser, Chief Executive Officer, Innovative Communications Corporation, dated May 5, 2004.

(a) Compliance Manual. The Company shall develop and update as necessary a Compliance Manual for timely paying and filing USF, TRS Fund, and NANPA Fund contributions. Company personnel shall have ready access to the Compliance Manual and are to follow the procedures contained in it. The Compliance Manual will describe the universal service rules and requirements as they apply to ICC. The Compliance Manual will encourage personnel to contact the Company's Legal Department, the Company's Chief Executive, and/or the Company's Chief Financial Officer with any questions or concerns that arise.

(b) Compliance Training Program. The Company shall establish an FCC compliance-training program for employees who are involved in the payment of USF, TRS Fund, and NANPA Fund contributions. Training will be conducted (i) at least annually to ensure compliance with the Commission's regulations governing payment of USF, TRS Fund, and NANPA Fund contributions and (ii) for any new employee, who will be involved with the payment of USF, TRS Fund, and NANPA Fund contributions, within the first thirty (30) days of employment.

(c) Designated Contact. The Company will designate one employee as the point of contact for all regulatory compliance matters associated with the payment of USF, TRS Fund, and NANPA Fund contributions.

(d) Review and Monitoring. The Company will review the Program annually to ensure that it is maintained in a proper manner and continues to address the objectives set forth herein.

9. ICC agrees to make a voluntary contribution to the U.S. Treasury in the amount of forty-five thousand dollars (\$45,000.00) within 10 days after the Order becomes a Final Order. ICC must make this payment by check, wire transfer, or money order drawn to the order of the Federal Communications Commission. The check, wire transfer, or money order shall reference "Acct. No. 200432080300" and FRN Nos. 0004-5555-95, 0007-4521-54, and 0005-0870-20. If ICC makes this payment by check or money order, it must mail the check or money order to: the Forfeiture Collection Section, Finance Branch, Federal Communications Commission, P.O. Box 73482, Chicago, Illinois, 60673-7482. If ICC makes this payment by wire transfer, it must wire such payment in accordance with Commission procedures for wire transfers.

10. ICC agrees to make timely payment, through the ICC Entities, to the universal service fund of its monthly contribution amount and late payment fees, if any, as required by the Commission's rules. ICC also agrees to make timely payment, through the ICC Entities, to the TRS fund and NANPA fund, of its assessed contribution amounts, as required by the Commission's rules.

11. The Parties agree that this Consent Decree shall become effective on the Effective Date and shall expire two (2) years after the Effective Date. On the Effective Date, the Order and this Consent Decree shall have the same force and effect as any other order of the Commission. Any material violation of any term of this Consent Decree shall constitute a violation of a Commission order entitling the Commission to exercise any rights and remedies attendant to the enforcement of a Commission order.

12. This Consent Decree and Order may be extended by the Bureau upon a final, non-appealable judicial or administrative ruling that ICC has materially failed to comply with the terms of this Consent Decree.

13. ICC acknowledges that the Bureau has jurisdiction over it and this matter, and has the authority to enter into, and adopt, this Consent Decree.

14. ICC waives any and all rights it may have to seek administrative or judicial reconsideration, review, appeal, stay, or to otherwise challenge or contest the validity of this Consent Decree and the Order, provided the Order adopts this Consent Decree without change, addition, or modification.

15. The Parties agree that if ICC, the Commission, or the United States on behalf of the Commission brings a judicial action to enforce the terms of the Order adopting this Consent Decree, neither ICC nor the Commission shall contest the validity of the Consent Decree or the Order, and ICC will waive any statutory right to a trial *de novo* regarding the terms or validity of the Consent Decree. ICC, however, may present evidence that it has not violated the Consent Decree.

16. ICC agrees to waive any claims it may otherwise have under the Equal Access to Justice Act, Title 5 U.S.C. § 504 and 47 C.F.R. §§ 1.1501 *et seq.*

17. In express reliance on the covenants and representations in this Consent Decree, the Bureau agrees to terminate the Investigation without any finding of liability on the part of ICC. This Consent Decree shall constitute a final settlement between the Parties of the Investigation.

18. The Bureau agrees that, in the absence of material new evidence related to the matters that were the subject of the Investigation, it will not institute, on its own motion, any new proceeding, formal or informal, or take any action on its own motion against ICC for possible past violations of the contribution rules of the Commission in connection with the universal service and other reporting and contribution requirements. The Bureau also agrees that, in the absence of material new evidence related to these matters, it will not use the facts developed in the Investigation through the Effective Date, or the existence of this Consent Decree, to institute on its own motion any new proceeding, formal or informal, or to take any action on its own motion, against ICC concerning the matters that were the subject of the Investigation. The Bureau further agrees that, in the absence of material new evidence related to these matters, it will not use the facts developed in this Investigation through the Effective Date, or the existence of this Consent Decree, to institute on its own motion any proceeding, formal or informal, or take any action on its own motion, against ICC with respect to its basic qualifications, including its character qualifications, to be a Commission licensee or with respect to compliance with the Commission's rules and policies.

19. Nothing in this Consent Decree shall prevent the Commission from adjudicating complaints filed against the Company pursuant to Section 208 of the Act, 47 U.S.C. § 208. Similarly, nothing in this Consent Decree is dispositive with respect to the rights of any third party or complainant who has filed or may file a complaint against the Company pursuant to Section 208 of the Act, 47 U.S.C. § 208. If any such complaint is made, the adjudication of that complaint will be based solely on the record developed in that proceeding and the Bureau shall not use any facts developed through the Investigation in any such proceeding. Moreover, the existence of the Consent Decree and the Order shall not be submitted in any proceeding, legal or otherwise, other than to enforce this Consent Decree and Order, as evidence of any act or omission by ICC, and shall not be deemed an admission or denial by ICC of any fact introduced therein.

20. Nothing in this Consent Decree shall preclude ICC from petitioning the Commission for relief as to future obligations under Section 254 of the Act and the Commission's Rules.

21. The Parties agree that the effectiveness of this Consent Decree is expressly contingent upon the Bureau's issuance of the Order adopting the Consent Decree without change, addition, or modification.

22. In the event that this Consent Decree is rendered invalid by any court of competent jurisdiction, it shall be null and void and may not be used in any manner in any legal proceeding.

23. The Parties agree that if any provision of the Consent Decree conflicts with any subsequent rule or order adopted by the Commission (except an order specifically intended to revise the terms of this Consent Decree to which ICC does not consent) that provision will be superseded by such Commission rule or order.

24. This Consent Decree may be signed in counterparts.

**For the Enforcement Bureau
Federal Communications Commission**

By: _____ Date: _____
David H. Solomon
Chief, Enforcement Bureau

For Innovative Communications Corporation

By: _____ Date: _____
Mohanjit Lubana
VP – Finance